

El Salvador - Investment Support & Financial Services

Report generated on: January 19, 2017

Visit our data catalog at: <https://data.mcc.gov/evaluations/index.php>

Overview

Identification

COUNTRY

El Salvador

EVALUATION TITLE

Investment Support & Financial Services

TRANSLATED TITLE

Apoyo de Inversiones (FIDENORTE)

EVALUATION TYPE

Independent Performance Evaluation

ID NUMBER

DDI-MCC-SLV-MPR-FIDENORTE-2013-v01

Version

VERSION DESCRIPTION

Not applicable to this evaluation; no quantitative data to be shared

Overview

ABSTRACT

Research Questions. Through an analysis of business plans, borrower files, repayment data, applicant questionnaires, as well as information from interviews with applicants and MCC, BMI, and FOMILENIO personnel, Mathematica will answer the following eight primary research

questions:

1. What were FIDENORTE's levels of demand, investment and costs?
2. What were the average characteristics of FIDENORTE loans?
3. What were the characteristics of FIDENORTE applicants and borrowers?
4. What administrative activities and services did BMI and FOMILENIO perform (or finance) related to developing, approving, disbursing, and monitoring credits?
5. What were facilitators and barriers to efficient and effective implementation of FIDENORTE lending?
6. How did borrowers use FIDENORTE credit and technical assistance?
7. What were borrowers' levels of investment, employment, and income following receipt of FIDENORTE credit?
8. Were there possible effects of FIDENORTE at the organizational or systemic level?
9. Are the Financial Services Activity's guarantee funds financially sustainable?

The exposure period was 24 to 36 months.

EVALUATION METHODOLOGY

Ex-Post

UNITS OF ANALYSIS

Investment Support: Enterprises

Financial Services: Banks and lenders

KIND OF DATA

Administrative records data [adm]

TOPICS

Topic	Vocabulary	URI
Agriculture and Irrigation	MCC Sector	

KEYWORDS

Business ventures, Investment capital, Finance, Loans

Coverage

GEOGRAPHIC COVERAGE

The Northern Zone of El Salvador

UNIVERSE

Poor producers in El Salvador's Northern Region, and individuals who could not otherwise finance their investments through public or private banks.

Producers and Sponsors

PRIMARY INVESTIGATOR(S)

Name	Affiliation
Mathematica Policy Research, Inc.	

FUNDING

Name	Abbreviation	Role
Millennium Challenge Corporation	MCC	

Metadata Production

METADATA PRODUCED BY

Name	Abbreviation	Affiliation	Role
Millennium Challenge Corporation	MCC		

DATE OF METADATA PRODUCTION

2014-02-20

DDI DOCUMENT VERSION

Version 1 (2013-12-03)

DDI DOCUMENT ID

DDI-MCC-SLV-MPR-FIDENORTE-2013-v01

MCC Compact and Program

COMPACT OR THRESHOLD

El Salvador Compact (2007-2012)

PROGRAM

Productive Development Project / Investment Support Activity & Financial Services Activity

MCC SECTOR

Agriculture and Irrigation (Ag & Irr)

PROGRAM LOGIC

The main objective of the Productive Development Project (PDP) was to assist in the development of profitable and sustainable business ventures for poor individuals in El Salvador's Northern Zone. Between 2008 and 2012, the PDP used nearly \$72 million in allocated funds to serve over 13,500 participants and create more than 11,000 full-time equivalent jobs. The PDP comprised three activities: Production and Business Services (PBS), Investment Support, and Financial Services. In 2009, the implementing parties of the Investment Support Activity established the Trust Fund to Support Investment in the Northern Zone (known as FIDENORTE in Spanish). The goal of the Investment Support Activity was to provide poor individuals and organizations that benefit them with much-needed investment capital. Provided in the form of multi-year loans, this investment capital was intended to reduce poverty by enabling the creation of profitable and sustainable business activities that generate employment and significantly raise borrowers' income. From 2009 to 2012, BMI administered the activity through the FIDENORTE Trust Fund. The goal of the Financial Services Activity was to provide financial enhancements to support increased lending by banks and financial institutions in the Northern Zone. Key investments in this activity included two partial guarantee funds managed by BANDESAL and FOMILENIO: the Programa de Garantía Agropecuaria de la Zona Norte (PROGARA Norte) fund and Sociedad de Garantías Recíprocas (SGR) Norte fund. These funds provided partial guarantees for loans to small producers in the horticulture, dairy, handicraft, tourism, and coffee sectors-as well as in the commercial and service sectors-that had insufficient collateral to secure other financing. The activity also funded TA to FIs interested in expanding operations and product lines in the Northern Zone.

PROGRAM PARTICIPANTS

Poor individuals and organizations that benefit them, in the dairy, fruit, horticulture, handicrafts, tourism, forestry, and coffee sectors.

Sampling

Study Population

Poor producers in El Salvador's Northern Region, and individuals who could not otherwise finance their investments through public or private banks.

Questionnaires

No content available

Data Collection

Data Collection Dates

Start	End	Cycle
-------	-----	-------

Data Collection Mode

Face-to-face [f2f]

Data Collection Notes

There are two key phases of data collection related to this study: after the first two years of implementation (from mid-2009 to mid-2011) and following the conclusion of the compact in early 2013.

Data Collectors

Name	Abbreviation	Affiliation
Mathematica Policy Research, Inc.	MPR	

Data Processing

No content available

Data Appraisal

No content available